November 2026 | Edition 4

BRIGHT INSIGHTS

THE LATEST SPECIALIST LENDING NEWS & CLIENT TRENDS



DIFFICULT MARKETS CREATE OPPORTUNITIES

2026 insight.
with Rob Jupp,
CEO, Brightstar Group

Articles covering:

Residential Mortgages
Buy-to-let Mortgages
Second Charge Mortgages
Bridging & Development
Commercial Finance
& Insurance!

For intermediaries only

content

2	Difficult markets create opportunities
3-4	Competition is driving the second charge market forward
5-6	Commercial lending starts with the right partner
7-8	Buy-to-let is becoming a market for professional landlords
9-10	Allica Bank: We've extended our arrangement fee waiver
11-12	Bridging has regained momentum
13-14	ModaMortgages: Making affordability work harder for landlords
15-16	Commercial property offers landlords a route to diversify
17-18	MT Finance: The best investment is ownership
19-20	Future-proofing for success
21	Mint Property Finance: We challenge convention
22	Saffron: Embracing Expat Landlords
23-24	The cheapest insurance could prove the most expensive
25-26	Your trusted insurance partner
27	MT Finance: Specialist finance, simplified
28	LendInvest: Cut the complex
29-30	We find solutions for complex cases
31-32	Bridging has been a mainstay of specialist finance
33	Together: The hidden opportunity in overlooked properties
34	Together: Is my client's property really unmortgageable?
35-36	Making the seemingly impossible, possible
37-38	LendInvest: The strategic shift
39-40	LendInvest: The strategic shift
41-42	Directory
43	Interbay: Some things are out of your control
44	Catalyst: Bespoke property finance

Difficult markets create opportunities

Every market experiences choppy waters and there is no point pretending we are not navigating some now.

Economic uncertainty, volatile energy prices and geopolitical instability continue to influence confidence. Purchase activity is difficult, particularly for advisers heavily reliant on larger, straightforward residential mortgages, while clients and businesses are understandably cautious about making commitments.

However, difficult does not mean impossible. Nor does it mean we should spend our days talking ourselves into believing that everything is terrible.

One of the strongest messages to emerge from our recent Expo was that markets do not simply disappear when conditions change. They evolve.

Steve Cox from Fleet Mortgages made that point particularly well when he said buy-to-let will never die; it will continue to evolve.

We have seen that happening throughout 2026 as professional landlords adapt their strategies, consider different ownership structures and explore houses in multiple occupation, semi-commercial property and other opportunities.

Our economist, Darren Winder of Lazarus Economics, was also unusually upbeat. Although he expects the next three to six months to remain challenging, particularly because of energy prices, he believes the direction of travel for the UK economy is positive. Encouraging growth figures published shortly afterwards supported that view.

That does not mean we should ignore the challenges. It means we should retain some perspective.

There are many things beyond our control. We cannot determine energy prices, end the war in Ukraine or resolve tensions between America and China. The UK mortgage industry represents a small part of a much wider world and none of us can dictate what happens within the global economy.

What we can control is how we respond.

We can work a little harder, provide a better level of service and push the dial further when trying to place a difficult case. We can speak to another lender, challenge an assumption or find a structure that allows a viable transaction to proceed.

That mentality runs throughout this edition of Bright Insights.

Our contributors recognise the difficulties facing their respective markets but none of them are sitting back and waiting for conditions to become perfect. They are identifying opportunities created by lender competition, improving technology and changing client needs.

Second charges are becoming more efficient and competitive. Professional landlords are adapting to a more demanding buy-to-let environment, while commercial and semi-commercial property can provide alternative routes for investors. Bridging continues to support purchases, refurbishment projects and clients who need to move before selling.

Insurance also demonstrates why price alone should never dictate a decision, while stronger partnerships and referral relationships enable advisers to help clients whose requirements extend beyond their own expertise or permissions.

These are not abstract ideas. They are practical ways of helping more clients and building stronger businesses.

I have spent my career operating through difficult markets, and, if I am honest, I enjoy them. Challenging conditions distinguish businesses that merely participate in a market from those prepared to lead within it.

Leadership matters most when conditions are difficult. It is easy to appear confident when everything is going well. The real test is whether you remain visible, make decisions and support your people when the answers are less obvious.

A positive mental attitude does not mean denying reality. It means accepting the situation, concentrating on what you can influence and refusing to allow negativity to become self-fulfilling.

Brightstar remains busy and profitable across its specialist product lines and there is plenty of business available for advisers willing to find it. Specialist finance is particularly well placed because it exists to solve problems and accommodate circumstances that do not fit neatly into conventional lending models.

My business Christmas wish is therefore for an extended period without another black swan landing in the market. Events once described as once-in-a-generation occurrences now seem to arrive several times a year. Some stability would give consumers and businesses the confidence to plan and invest.

My personal wish is for peace in Ukraine. Too many people have died, families have been displaced and ordinary citizens are facing another brutal winter after years of conflict. Their courage and resilience should put many of our everyday frustrations into perspective.

We cannot control what 2027 brings, but we can control how we face it. My message is simple: stop dwelling on why the market is difficult, take hold of the reins and get on with creating opportunities.

If we work harder, collaborate more closely and remain determined to find solutions, there is every reason to approach the year ahead with confidence.

Rob Jupp,
CEO, Brightstar Group



Competition is d
the second char
market forward

The second charge mortgage market has made strong progress during 2026, with increased competition encouraging lenders to improve their products, criteria and processes.

New lenders entering the sector with competitive propositions have forced established providers to examine how they operate. That has been healthy for the market and, most importantly, has delivered tangible benefits for brokers and their clients.

One of the biggest developments has been the expansion of AVM criteria. More lenders are now prepared to use an AVM, reducing the need for a physical valuation and helping applications progress more quickly.

We have also seen lenders become more flexible in their treatment of employed and self-employed income, while some have increased the maximum age they will consider from around 70 to 75 if this is plausible and commensurate to the type of work the customer undertakes.

These may sound like relatively small adjustments but they can make the difference between a client qualifying for the borrowing they need or being unable to proceed.

More lenders are also moving towards paperless applications wherever possible. The second charge sector still has some distance to travel in this area but the overall direction is encouraging.

Every unnecessary document or manual stage removed from the process can lead to a faster and more straightforward experience.

While using artificial intelligence is being discussed I'd say that its impact is not yet especially visible within the customer journey.

Lenders may already be using it behind the scenes and I think brokers will increasingly use it to support sourcing and case research so it will be interesting to see how each develops.

The wider figures underline the progress being made. Finance & Leasing Association data showed that second charge mortgage lending was 25% higher in the 12 months to July 2026 than during the equivalent previous period.

The most common reasons for borrowing have remained broadly consistent. Home improvements and the consolidation of unsecured credit continue to account for much of the market, alongside uses such as funding school fees.

Even debt consolidation is often connected to property improvements. A homeowner may initially use unsecured borrowing to fund works before consolidating those commitments through a second charge.

A significant number of these clients have a competitive first charge mortgage secured before rates increased. Rather than remortgaging the entire balance and potentially losing that rate, they can ring-fence it and raise the additional money separately. The second charge may carry a higher rate, but the overall cost could still compare favourably with refinancing everything.

Of course, it will not be the right solution for every borrower. The options must be properly compared, taking account of interest rates, fees, affordability and the total cost over the relevant term.

Looking ahead to 2027, further lender competition would be welcome. More choice can lead to sharper pricing, broader criteria and better service, but I would also like to see lenders continue investing in automation.

In particular, there is scope to expand the use of AVMs on higher-value properties. Many lenders currently restrict them to homes valued at £1m or less, although a small number will consider properties worth £1.5m or more.

lriving
rge

With property values in London and other parts of the country having risen significantly, a £1m limit can exclude otherwise straightforward cases. Extending that threshold would speed up applications and could save clients the cost of a physical valuation.

My principal business wish for Christmas is for more brokers to recognise second charges as a mainstream capital-raising option.

Brightstar's national account managers spend a great deal of time helping brokers understand where these products can fit, but there are still experienced advisers who say they simply do not discuss second charges with their clients.

Newer brokers are often more open to exploring every potential route, while some established advisers prefer to remain within their traditional area of expertise. Nobody needs to become an expert in every product, but brokers should be able to identify when a second charge deserves consideration and know where to obtain specialist support.



Greater awareness, combined with stronger competition and more efficient technology, could make 2027 another positive year for the market.

As for my personal Christmas wish, I have recently returned from a great holiday, so I cannot ask for too much. A quiet Christmas and the opportunity to hibernate for a while will do me nicely.

For intermediaries only

Andrew Stean,
Second Charge Mortgage Specialist, Brightstar Financial

Contact



Commercial lending starts with the right partner

InterBay

Marc Callaghan ,
Head of Commercial Mortgages, Interbay

For intermediaries only

For brokers who've built their business around residential mortgages or buy to let, commercial property finance may feel like a natural next step. The client relationships are already there, the fundamentals of property finance are familiar and, in many cases, opportunities to introduce commercial lending may already be sitting within an existing client bank.

However, commercial can feel like a market reserved for brokers with years of specialist experience. Different property types, business circumstances and lending considerations can make it appear more complicated than it needs to.

The reality is that brokers don't necessarily need to become commercial lending experts overnight. But with the right approach – and the right specialist lender alongside them – commercial can become a valuable addition to their offering.

Look for opportunities beyond the obvious

Commercial property finance covers a much broader range of circumstances than the term "commercial mortgage" might suggest.

There are owner occupied properties, where a business wants to buy premises from which to operate, as well as investment properties where the borrower's looking to generate rental income. There are also mixed-use and semi-commercial properties, such as a shop with residential accommodation above, alongside more specialist property types including offices, industrial units, warehouses, retail premises and other commercial buildings.

Borrower types can be just as varied. They could be experienced property investors, established businesses looking to purchase or refinance their premises, or clients taking their first steps into commercial property.

That creates opportunities for brokers who are prepared to look beyond the traditional residential or buy to let conversation.

Use your existing client base to get started

Diversifying into commercial doesn't mean finding an entirely new audience.

A broker with an established residential or buy to let client base may already have clients with commercial property ambitions:

- A landlord might be considering a mixed-use investment.
- A self-employed client could be looking to buy their business premises rather than continue renting.
- An existing property investor might want to expand into a different type of commercial asset.

These opportunities can be missed if the conversation stays focused on the immediate residential or buy to let requirement.

Asking clients certain questions could reveal a hidden opportunity, such as:

- Do they own or run a business?
- Do they currently rent their business premises?
- Are they considering another investment?
- Do they have plans to expand, relocate or acquire a property for their business?

For brokers, that means there's an opportunity to grow existing client relationships rather than start from scratch. By keeping commercial in the conversation, they could uncover new opportunities and continue supporting clients as their property and business needs change.

Commercial doesn't have to mean complicated

One of the biggest barriers to entering commercial lending can be perception. It's true that commercial cases can involve more variables than a straightforward residential mortgage. The property itself matters, but so can the business, the borrower's experience, the intended use of the property, the rental income and the wider circumstances of the transaction.



That doesn't mean, however, that every commercial case is inherently complex.

Brokers moving into the sector can start by getting comfortable with the fundamentals: what the property is, how it'll be used, who the borrower is, how the loan will be repaid and what the overall commercial proposition looks like.

It's also important to recognise that commercial lending isn't simply residential lending with a different property attached. Each case needs to be considered on its own merits, and specialist lenders such as InterBay take a more individual approach to understanding the circumstances behind the application.

The right lender can make all the difference

For a broker entering a less familiar market, access to experienced commercial underwriters and business development teams can provide valuable reassurance.

Knowing who to speak to before submitting a case can help brokers understand whether a proposition's likely to fit, what information will be needed and where potential challenges might arise. It can also help reduce the uncertainty that can come with placing a certain type of case for the first time.

A specialist lender like InterBay offers far more than a strict set of lending criteria. It can provide expertise, accessibility and support throughout the journey – helping brokers understand the opportunity and navigate the case with greater confidence.

For brokers diversifying into commercial, that relationship can be just as important as the product itself.

Start with what you know

The opportunity for brokers isn't necessarily about moving away from their existing business. It's about adding another dimension to it.

Residential, buy to let and commercial lending can sit alongside each other. A broker who already understands a client's financial circumstances and property ambitions may be well placed to identify when a commercial solution could be relevant.

It's also worth considering the longer-term value of those relationships. A client who starts out with a residential mortgage could later become a landlord, business owner or property investor. Equally, an existing buy to let client may eventually look beyond residential property.

Keeping commercial in the conversation means brokers can be ready when those opportunities arise.

Don't wait until the case becomes difficult

There's a tendency to think of specialist commercial lenders as somewhere to turn when a mainstream lender can't help. But that approach can mean missing out on earlier opportunities.

Choosing a specialist commercial lender from the outset can give brokers access to experts who understand the market and can help shape the right approach before an application's submitted. It can also give brokers greater confidence when they encounter an unfamiliar property type, borrower or transaction.

As an intermediary-only lender, InterBay has extensive experience in commercial, semi-commercial, buy to let and bridging finance, supporting brokers across a broad range of property and borrower circumstances. Its specialist expertise is designed to help brokers approach commercial opportunities with greater confidence – whether they're placing their first case or looking to build commercial lending into their business more regularly.

For brokers considering taking that first step, the starting point could be simply recognising the opportunities already in front of them, understanding the fundamentals and partnering with a lender that can provide the expertise and support to help them navigate everything else. Choosing a lender that can help you stay in control from the beginning could make or break a case.

Commercial lending may be a new area for some brokers, but unfamiliarity doesn't need to be a reason to avoid it. If you'd like to discuss a case, please contact your specialist finance account manager, call us on 01634 835007 or use live chat. Or for more information on getting started with commercial property finance, brokers can explore InterBay's 'How-to' guide.

Buy-to-market landlord

The buy-to-let market has presented plenty of challenges during 2026 but it has also created opportunities for landlords who understand the market and are prepared to take a long-term view.

Regulatory change, affordability pressures and higher mortgage rates have made property investment more complicated.

The Renters' Rights Act has added to landlords' responsibilities, while refinancing has become much harder for those accustomed to the exceptionally low rates available several years ago.

These conditions are driving what I call the "dinner-party landlord" out of the market. These are often higher earners who bought one investment property because buy-to-let appeared to be a straightforward way of putting their money to work.



The sums have become much more difficult, particularly in London. A landlord applying personally may face a higher rental stress calculation than one using a limited company structure.

Even where lenders offer 80% or 85% loan-to-value products, the rental income may not support the required borrowing against London property prices.

The position can be different in the Midlands and other regions where purchase prices are lower and yields may be stronger.

For intermediaries only

Saan Popat,
Specialist Mortgage Consultant,
Brightstar Financial

Contact

let is becoming a for professional ls

However, the wider trend is towards a market increasingly dominated by professional landlords who have experience, operate through an appropriate structure and want to grow their portfolios.

For those landlords, current conditions could present an opportunity. Property prices in parts of London have been relatively stagnant, while less committed investors are deciding to sell.

Experienced landlords who can make the figures work may be able to acquire properties that support their longer-term plans.

The cases coming through Brightstar also demonstrate how diverse the market has become. We are seeing landlords with adverse credit, investors with large portfolios, first-time landlords who have never owned any property and clients moving into houses in multipleoccupation or multi-unit freehold blocks.

Financial pressure has affected landlords as well as tenants. If a tenant falls behind with the rent, the landlord may struggle to meet their own commitments, potentially resulting in missed payments or other adverse credit. That can then create problems when the mortgage needs to be refinanced.

These are not always cases an adviser will encounter regularly. A broker may be comfortable arranging a conventional buy-to-let mortgage but unsure how to approach a first-time buyer who also wants to become a first-time landlord, purchase an HMO and borrow at a high loan-to-value.

For us, that unusual combination can immediately suggest potential lenders and solutions. The introducing broker does not have to turn away a client simply because the case falls outside their normal area of expertise.

They can bring it to Brightstar, retain the relationship and still earn from business they might otherwise have lost.

That is particularly valuable in a market where brokers are competing hard for every enquiry.

The rise in buy-to-let lending during 2026 does not surprise me. Part of this reflects professional landlords acquiring properties from those leaving the market, while remortgage activity is also contributing significantly.

Many landlords are moving from rates of 1% or 2% to specialist products priced at perhaps 5%, 6% or 7%. As most buy-to-let mortgages are interest-only, the capital balance may not have reduced. On a £300,000 mortgage, the resulting increase in monthly payments can be substantial.

At the same time, rents have not necessarily risen sufficiently to satisfy lenders' affordability calculations. Some landlords therefore discover that they cannot refinance the full existing balance and must decide whether to inject capital or sell the property.

I nevertheless expect 2027 to be a busy year. Many borrowers who secured five-year fixed rates during 2022 will need to refinance. Their circumstances may have changed following several years of higher living costs, and some may have developed credit problems that prevent a straightforward product transfer or mainstream remortgage.

This will make specialist expertise even more important. Brokers who recognise adverse credit and complex buy-to-let enquiries, and know when to ask for help, will be well placed to support those clients.

My Christmas wish for the market is for more people to stop waiting for perfect conditions.

During the past year, wars, interest-rate movements, economic uncertainty and volatile markets have all affected confidence.

There will always be another reason to delay. Sometimes people need to concentrate on their own position, take appropriate advice and move forward when the opportunity is right for them.

My personal wish is much simpler: I would like a big red package waiting outside my door on Christmas morning. I will leave exactly what is inside it to the imagination.

Allica Bank

We've extended our arrangemer fee waiver until 31st December 2026*

Enquire with Brightstar

*All lending subject to status, lending criteria, and satisfactory credit assessment. Terms of promotion apply.

Allica Bank Limited is authorised by the Prudential Regulation Authority and regula the Financial Conduct Authority and the Prudential Regulation Authority (FRN: 821 4th/5th Floor, 15 Worship Street, London, EC2A 2DT. Registered in England and Wa with company number 07706156

Allica Bank lending products are not regulated products.

nt

ted by
351).
ales

Your clients won't pay arrangement fees on larger loans:

Owner-occupier mortgages of £750,000 and above

Commercial investment mortgages of £750,000 and above

Specialist buy-to-let mortgages of £1.5 million and above



The bridging and development finance market began 2026 at considerable pace. The first quarter was extremely busy, with strong demand from property investors and developers seeking fast, flexible funding.

That momentum was interrupted by developments surrounding a prominent Lender. This came without warning and created uncertainty that reached much further across the market than many people initially expected.

The brakes were effectively slammed on. Lenders, brokers, funders and borrowers all needed time to understand what had happened and consider any implications for their own transactions and relationships.

When an unexpected event affects a lender, it can quickly influence confidence across the sector.

Funding structures are examined more closely, credit teams become more cautious and decisions can take longer. Even lenders unaffected by the original situation may pause to review their exposure, processes and appetite.

For brokers, the immediate priority is protecting clients and ensuring transactions remain viable.

A bridging loan is frequently being used because the borrower is working towards a fixed deadline, perhaps to complete an auction purchase, refinance an existing facility or keep a development project moving.

Uncertainty can therefore have an immediate impact. Delays may increase costs, put deposits at risk or prevent a borrower from taking advantage of an opportunity.

The market was turned on its head for several months while the dust settled. However, bridging has always been resilient, and activity has since recovered.

We are busy again, lender confidence has improved and new products are coming to market.

It increasingly feels as though normal service has resumed although the experience has reminded everybody that conditions can change remarkably quickly.

Neil Tavemer,
Bridging & Development Finance Specialist, Brightstar Financial

Contact

Bridging has regained its momentum

There remains plenty of business available. Borrowers continue to require short-term finance for auction purchases, refurbishment, development exits, chain breaks and transactions that do not fit the timetable or criteria of a conventional lender.

Development finance also continues to play an important role in supporting smaller and medium-sized developers.

These borrowers may have viable projects but need a lender willing to understand the site, the anticipated demand and the experience behind the scheme rather than relying entirely on a standardised approach.

This is where specialist advice becomes particularly important. The cheapest headline rate is not necessarily the best solution if the lender cannot meet the completion deadline or provide the flexibility the project requires.

A broker must understand how the facility will work from beginning to end. That includes the initial advance, any staged drawdowns, interest and fees, conditions attached to the loan and, crucially, the borrower's exit strategy.

My outlook for 2027 is optimistic, provided there are not too many bumps in the road.

Unfortunately, none of us controls what happens in the wider economy, financial markets or geopolitical environment. It would not surprise me if something caused another ripple during 2027 because these events have a habit of appearing when the market least expects them.

However, the bridging sector has repeatedly demonstrated its ability to respond.

Lenders adapt their products and appetite, while brokers work with clients to restructure transactions when the original route is no longer available.

If the market can maintain its current buoyancy, I believe there will be significant opportunities during 2027 across both bridging and development finance.

At the top of my Christmas wish list for the industry would be a change allowing regulated bridging loans to run for up to 18 months rather than the current 12-month limit.

An extension would be particularly valuable for homeowners using bridging to move before selling their existing property. A transaction may begin with a credible exit strategy, only for a sale to collapse through no fault of the borrower.

Finding another buyer and completing the legal process can take several months. Under the present definition, a regulated bridging loan generally has a maximum term of 12 months, which can place unnecessary pressure on a client as the deadline approaches.

An 18-month term would not remove the need for responsible lending or a clear and credible exit. It would simply provide more breathing space when a property transaction takes longer than anticipated, reducing the risk of clients being forced into an expensive extension or rushed sale.

My personal Christmas wish is closely connected to the business one: a consistent and busy 2027 without any unexpected bumps in the road.

Given the events of recent years, an entirely uneventful 12 months might even qualify as a Christmas miracle!

However, if the market remains stable, lenders keep lending and good-quality cases continue to complete, I would be more than happy with that.

For intermediaries only

Making affordability work harder for landlords

For many landlords coming to the end of a short-term fixed rate, affordability has become one of the biggest barriers to securing a new mortgage. Even where rental income remains strong and the property is performing well, higher affordability stress rates can limit borrowing options and make refinancing more challenging than expected.

That's why product design and affordability assessments matter more than ever.

At ModaMortgages, we've built our proposition around making buy to let lending smarter, faster and simpler. Our approach is centred on helping brokers place cases with confidence, supported by clear criteria, a streamlined journey and affordability solutions that reflect today's market realities. One example is our pound for pound remortgage proposition, which has been designed to support landlords whose borrowing requirements haven't changed, but whose affordability calculations may have.

For landlords with no desire to increase borrowing and simply looking to refinance an existing mortgage balance, affordability assessments based on stressed rates can sometimes create unnecessary friction. A property that's comfortably supported borrowing for years can suddenly struggle to fit within standard affordability models, particularly where short-term fixed rates are involved.

Recognising this challenge, ModaMortgages offers a pound for pound remortgage approach that assesses affordability differently. On short-term fixed rate cases, landlords can benefit from affordability being assessed at pay rate up to 80% gross loan to value, helping to preserve borrowing levels and reduce the risk of borrowers being trapped on existing deals. This can provide valuable flexibility for landlords who've maintained their mortgage commitments and simply want a straightforward route onto a new product.

This philosophy sits at the heart of the ModaMortgages proposition. We understand that brokers value certainty, consistency and clear answers. Our lending criteria is designed to provide practical solutions without unnecessary complications, while our online application journey and dedicated support team help keep cases moving forward.

For brokers, that can make a meaningful difference. Rather than reducing borrowing or exploring alternative solutions, they may be able to help clients refinance on a like-for-like basis while maintaining the borrowing they've already demonstrated they can support.

Pound for pound remortgages offer an important solution in that environment. By focusing on the real purpose of the transaction and recognising that the borrower isn't seeking additional leverage, they can help landlords refinance with greater confidence while giving brokers another tool to support their clients' objectives.

'ModaMortgages offers a pound for pound remortgage approach that assesses affordability differently'



In a market where affordability can often feel like the obstacle, having access to lending solutions designed around real-world landlord needs can make all the difference. For brokers supporting clients at the end of a short-term fixed rate, ModaMortgages' pound for pound remortgage proposition provides another practical tool to help maintain borrowing levels, secure a new deal and keep property investment plans moving.



Becki Fraser-Tucker,
ModaMortgages, Head of Sales

INTERMEDIARIES ONLY: ModaMortgages and Chetwood Bank are trading names of Chetwood Financial Limited, company number 09964966. Chetwood Financial Limited is a company registered in England and Wales. Registered office: Ellice Way Wrexham LL13 7YT. Chetwood Financial Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under registration number 740551. Buy to let mortgages for business purposes are not regulated by the Financial Conduct Authority and you will not have any of the protections that the Financial Conduct Authority offers in respect of regulated mortgage contracts or consumer buy to let mortgages. If you wish, you may check the Financial Services Register on the Financial Conduct Authority's website http://www.fca.org.uk/firms/systems-reporting/register or by contacting the Financial Conduct Authority on 0800 111 6768.

02-03-10 (2)

POUND for POUND

Buy to let remortgage?

Let's go another round.

£ for £ remortgage

Stressed at pay rate up to 80% gross LTV, even on short-term fixed rates.

Instant **DIP!**



ModaMortgages.

modamortgages.co.uk

INTERMEDIARIES ONLY.

Part of ChetwoodBank.

ModaMortgages and Chetwood Bank are trading names of Chetwood Financial Limited, company number 09964966. Chetwood Financial Limited is a company registered in England and Wales. Registered office: Ellice Way Wrexham LL13 7YT. Chetwood Financial Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under registration number 740551. Buy to let mortgages for business purposes are not regulated by the Financial Conduct Authority and you will not have any of the protections that the Financial Conduct Authority offers in respect of regulated mortgage contracts or consumer buy to let mortgages. If you wish, you may check the Financial Services Register on the Financial Conduct Authority's website http://www.fca.org.uk/firms/systems-reporting/register or by contacting the Financial Conduct Authority on 0800 111 6768.

Subject to lending criteria. Information correct as at 26 October 2026.

02-03-08 (3) A4 CMYK

Commercial property offers landlords a route to diversify

My role at Sirius Finance covers commercial mortgages, regulated and unregulated bridging, residential mortgages, buy-to-let and asset finance. During 2026, however, commercial and bridging finance have accounted for an increasing proportion of my work because that is where I am currently seeing some of the strongest opportunities.

Buy-to-let purchase activity has slowed. The Renters' Rights Act, changes to taxation and uncertainty about interest rates have caused landlords to reconsider whether they want to remain in the sector or expand their portfolios.

There are still investors who want to acquire property but more are looking seriously at commercial and semi-commercial assets.

Semi-commercial property can provide a useful stepping stone for landlords accustomed to residential investment.

A building containing a shop with flats above, for example, combines commercial and residential elements. The residential accommodation provides something familiar, while the commercial unit allows the investor to begin understanding leases, tenants and valuations in a different market.

Once investors become comfortable with commercial property, many recognise its potential advantages. Commercial leases are often agreed on a full repairing and insuring basis, making the tenant responsible for maintaining and insuring the premises.

That is very different from a conventional residential tenancy, where the landlord retains significant responsibilities for repairs and compliance. If a kitchen tap leaks, a bathroom develops a problem or an electrical fitting stops working, the residential landlord will generally have to address it.

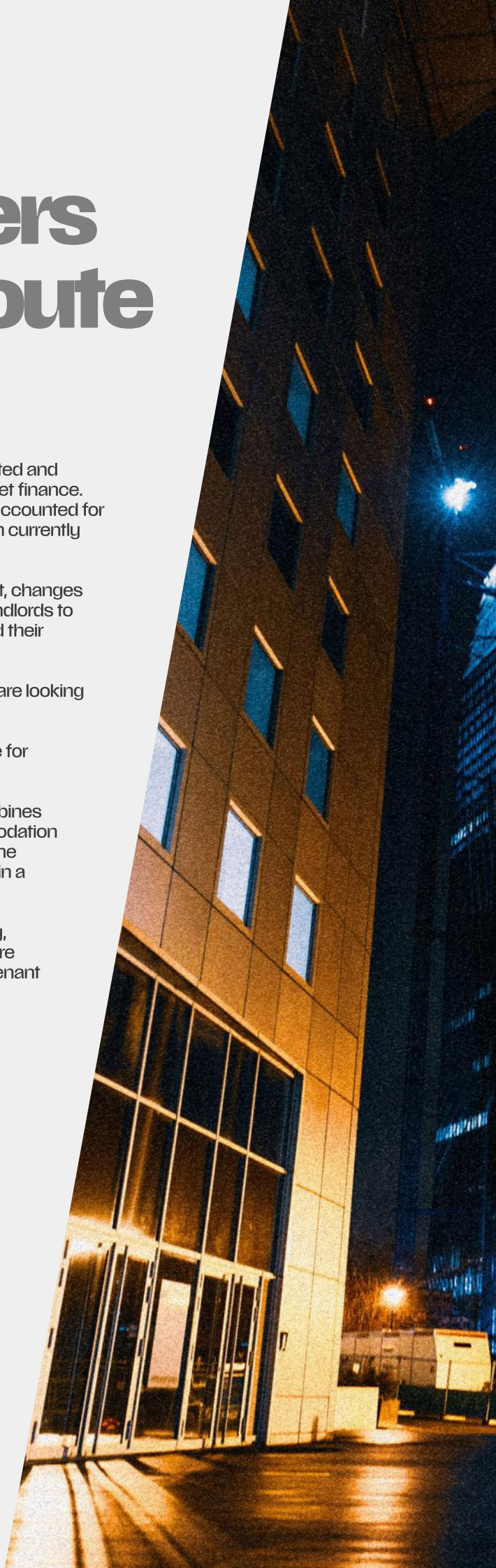
With a fully repairing and insuring commercial lease, those responsibilities will typically sit with the tenant, subject to the precise terms of the agreement.

Commercial landlords may also have a clearer route to recovering possession when rent is not paid, although professional legal advice is essential before any action is taken.

With residential, when a tenant stops paying, recovering possession can become a lengthy and expensive process.

The Renters' Rights Act has increased the sense among some landlords that the balance has shifted too far towards tenants.

For intermediaries only



There should be responsibilities on landlords but tenants must also be accountable for meeting their obligations.

As a result, some landlords are selling, while others have decided to retain their existing properties without buying more. Investors who remain committed to property are therefore examining alternatives that they may have previously not considered.

The market is still slow overall and economic uncertainty continues to affect confidence. Investors are watching inflation, mortgage pricing and possible tax changes before making decisions.

Nevertheless, I am seeing continued interest in commercial and semi-commercial property that is less evident in conventional buy-to-let purchases.

Bridging finance is also solving problems in the residential market. I frequently work with older homeowners who own their properties outright and want to move but would prefer not to complete their sale and purchase on the same day.

The traditional completion-day experience can be extremely stressful, with belongings being moved out while the new owners are waiting to move in and every transaction in the chain depending on the others.

A bridging facility can allow someone to purchase their next home first and move over a period of two or three weeks, while their sale completes in the background.

This is a good example of specialist finance being used to improve the client's experience rather than simply rescue a difficult transaction.

Looking ahead to 2027, I expect commercial and asset finance to be important areas of focus for the next 12 to 18 months. There will still be residential and buy-to-let business, but lenders and brokers may need to diversify to capture opportunities elsewhere.

My business Christmas wish is for more buy-to-let lenders to enter the semi-commercial market. A small number already operate in this space but greater choice would help increase competition.



If more lenders offered semi-commercial mortgages at up to 75% loan-to-value, with pricing only slightly above buy-to-let rates, it could also encourage established commercial lenders to sharpen their propositions.

That would make the market more accessible to experienced residential landlords who want to diversify without immediately moving into wholly commercial assets.

My personal wish is for an end to the wars and instability that have dominated recent years, and for inflation to ease. Since the pandemic, households and businesses have faced one crisis after another, without enough time for confidence or the economy to recover.

Disposable incomes have been squeezed and many people feel unable to enjoy their lives in the way they once did.

A period of peace, stability and economic recovery would therefore be the best Christmas present I could ask for.

Simon Nichola
Senior Associate, Sirius Finance

Contact

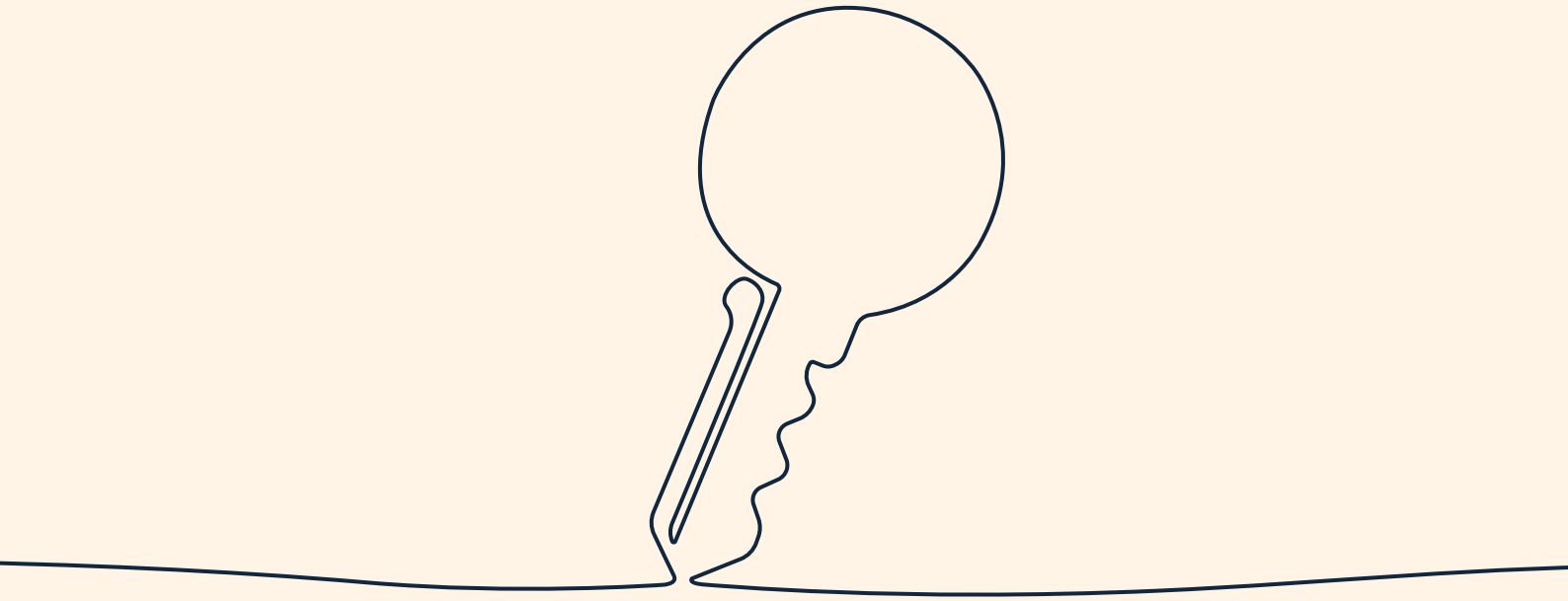
mt finance

THE BEST INVESTMENT IS OWNERSHIP

We've expanded our commercial offering with the launch of Owner Occupier Finance.

Enabling brokers to support business owners looking to purchase their trading premises and build long-term value through property ownership.

mt-finance.com



As we reflect on 2026, one theme stands out above all for me: the power of partnership.

Over the last year, countless conversations with advisers and business owners have reinforced an important message.

Clients want simplicity, confidence and trusted advisers who can support them across multiple areas of their financial journey.

At Brightstar, I have seen first-hand the value of servicing clients under one roof.

Whether it is residential mortgages, buy-to-let, second charges or bridging finance, clients increasingly expect holistic solutions rather than transactional relationships.

For advisers, this presents a significant opportunity to deepen relationships while strengthening the long-term value of their business.

One of the most common comments I hear from advisers is that “it’s a weird market”. But when we take a step back, perhaps it is not a strange market; it is simply the market we are now in.

Markets have always evolved. Economic conditions shift, customer expectations change and lenders adjust their appetite and criteria.

The difference today is the speed at which change happens. Advisers who embrace adaptability and remain open to new opportunities are often the ones who continue to thrive.

What has been encouraging in 2026 is the resilience demonstrated across the intermediary sector.

Advisers have continued to support clients through a wide range of circumstances, often finding solutions where others see obstacles. This ability to adapt and think creatively remains one of the greatest strengths of the adviser community.

Looking ahead to 2027, I believe specialist lending referrals will become even more important.

As client circumstances become increasingly complex, it is unrealistic to expect any single adviser or business to be an expert in every area of finance.

That is why building strong referral networks and partnerships is key. Knowing who to turn to when a case falls outside your expertise or permissions not only improves outcomes for clients but also creates opportunities for growth.

Future-proofing a business is no longer just about attracting new clients. It is also about maximising the value of existing relationships, and retention has never been more important.

One of the biggest opportunities for advisers often comes from asking “one more question” or having “one more conversation”.

Many clients approach advisers with a single need, whether that is a mortgage, remortgage or specialist finance requirement. However, by taking the time to understand their wider circumstances, you can often uncover opportunities to help in other areas.

A client purchasing a home today may be planning an extension or renovation and could benefit from a specialist finance solution.

A landlord refinancing a portfolio may be considering their next acquisition or exploring an opportunity to redevelop a property.

A business owner seeking a mortgage could have commercial finance aspirations, while another client might need an alternative way to pay school or university fees.

By broadening the conversation beyond the immediate requirement, advisers can uncover needs that might otherwise go undiscovered.

If that person is already part of your client bank, are you opening the door to support them further or inadvertently giving them a reason to look elsewhere for advice and solutions?

This is not about selling more products. It is about delivering better client outcomes. By understanding a client’s wider ambitions and future plans, advisers can add genuine value, strengthen relationships and provide support throughout their journey.

Businesses that continually look for ways to support clients across multiple product lines are often those that achieve the strongest outcomes. Clients want advisers who understand their goals and can support them throughout their financial lives, not just during a single transaction.

Future-proofing for success

The most successful firms in 2027 might not necessarily be those with the largest marketing budgets or biggest teams. They could be the businesses that focus on client outcomes, embrace specialist expertise and build sustainable referral partnerships.

And finally, with Christmas just around the corner, what is on my wish list for the year ahead?

It is not a new gadget or the latest technology. I would like to see even greater collaboration across our industry: more conversations, stronger partnerships and a continued willingness among advisers to share expertise and support one another.

If 2026 has taught us anything, it is that we achieve better outcomes when we work together.

The market will continue to evolve, as it always has. But with the right partnerships, a focus on retention and a commitment to delivering the best possible client experience, I am confident that 2027 will present exciting opportunities for advisers and businesses alike.

Here's to a successful 2027.

For intermediaries only



Lee Payne,
National Account Manger,
Brightstar Group

Contact

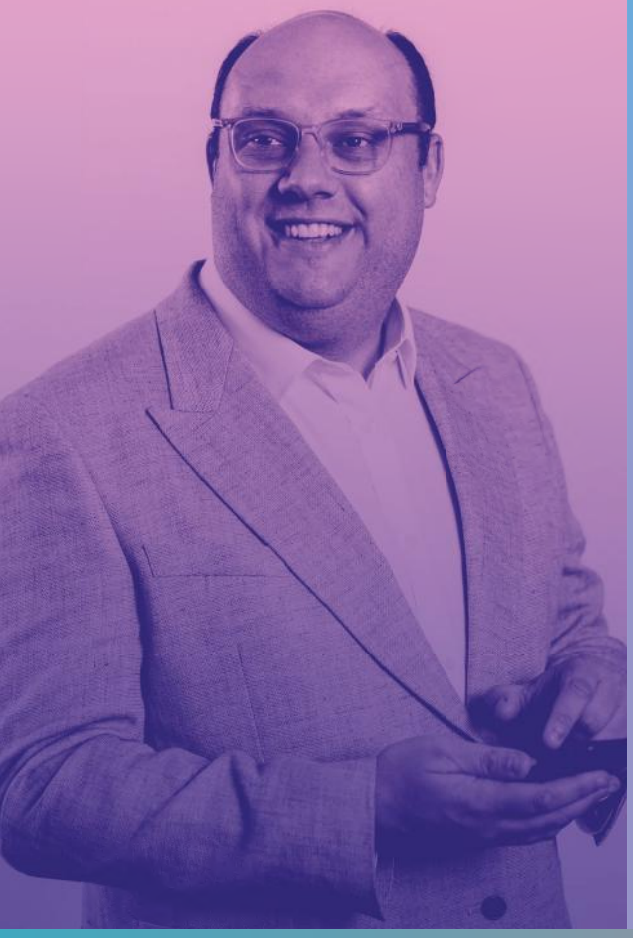
mint™
property finance

FIBA | Partner

bdla Bridging & Development Lenders Association







We challenge convention and set a new standard in specialist property finance.

We offer:

- Loans from £75,000 - £3,000,000
- Up to 90% LTV
- Terms up to 18 months
- 1st & 2nd charges
- England and Wales

mintpropertyfinance.co.uk

For all bridging enquiries contact Adam Robson

0161 710 2763 | Adam.Robson@mintpf.co.uk

For all development enquiries contact Samantha Herd

0161 710 3109 | Samantha.Herd@mintpf.co.uk

Saffron
For Intermediaries

Embracing Expat Landlords



Flexible BTL solutions for global lives

A proposition that works for expat landlords

Straightforward, flexible criteria and a smoother process, designed around your clients.

NO COUNTRY LIST	BTL & CONSUMER BTL CONSIDERED	PERSONAL OR LIMITED COMPANY	PORTFOLIO LANDLORDS	HMO	SIMPLER, FASTER PROCESS
We consider applications from anywhere in the world – other than countries subject to sanctions.	Both residential Buy-to-Let and consumer BTL considered, based on the ICR.	Available for applications in personal names or ltd company structures, including newly registered UK SPVs.	No maximum number of properties owned; support for growing and established portfolios.	Just launched. Standard HMOs and large HMOs, with no maximum bedroom count on the large-HMO range.	Updated the process to allow an individual in the UK to satisfy conditions, rather than requiring solicitors.

Pound for pound remortgage ICR of 125% of payrate

No differential simply because an applicant is a higher-rate taxpayer.

More reasons to say yes

- ✓ First-time buyers and first-time landlords considered
- ✓ Student lets and regulated BTL accepted
- ✓ Experienced team supporting complex expat cases

Scan to talk to your BDM today

For intermediary use only. Product criteria and lending decisions are subject to full terms and assessment.

The cheapest ins could prove the r expensive

Price matters to every client, particularly when household and business costs are already under pressure.

However, one of the most concerning trends I have seen during 2026 is people choosing property insurance on price without checking whether the policy provides the cover they actually need.

A client may already have an existing policy or bring us a quotation they have obtained elsewhere. When we provide an alternative, they sometimes tell us they have found something cheaper.

Once we examine that cheaper option, however, it can become clear that important elements of cover have been omitted or that the property has been described incorrectly.

The difference in price may be relatively small, but the potential consequences of inadequate cover could be enormous.

Consider a shop with flats above it. A basic quotation may cover the building but what happens if a fire makes the flats uninhabitable and the tenants have to move elsewhere?

The landlord may need cover for alternative accommodation and loss of rent. Without it, they could face the cost of housing their tenants while simultaneously losing their rental income.

Adding that protection may not increase the premium significantly but leaving it out could expose the landlord to a serious financial shortfall.

Accidental damage is another area that can be overlooked. A client may ask for buildings insurance and receive precisely that, without anyone taking the time to explore the additional risks associated with the property, its occupants or how it is used.

I recently reviewed a case where the client had obtained a cheaper quotation elsewhere, but the premises had been insured under a completely different trade. It was effectively the equivalent of describing a nightclub as a café.

Those businesses present very different risks. If a claim arose and the insurer discovered the premises had been incorrectly described, the client could find that the claim was reduced or declined.

A policy that appears cheaper is of little value if it does not respond when the client needs it.

This is why specialist advice matters. A good insurance broker should not simply ask what cover the client wants and return with the lowest possible price.

We need to understand the property, its use, its occupants and what would happen in a worst-case scenario.

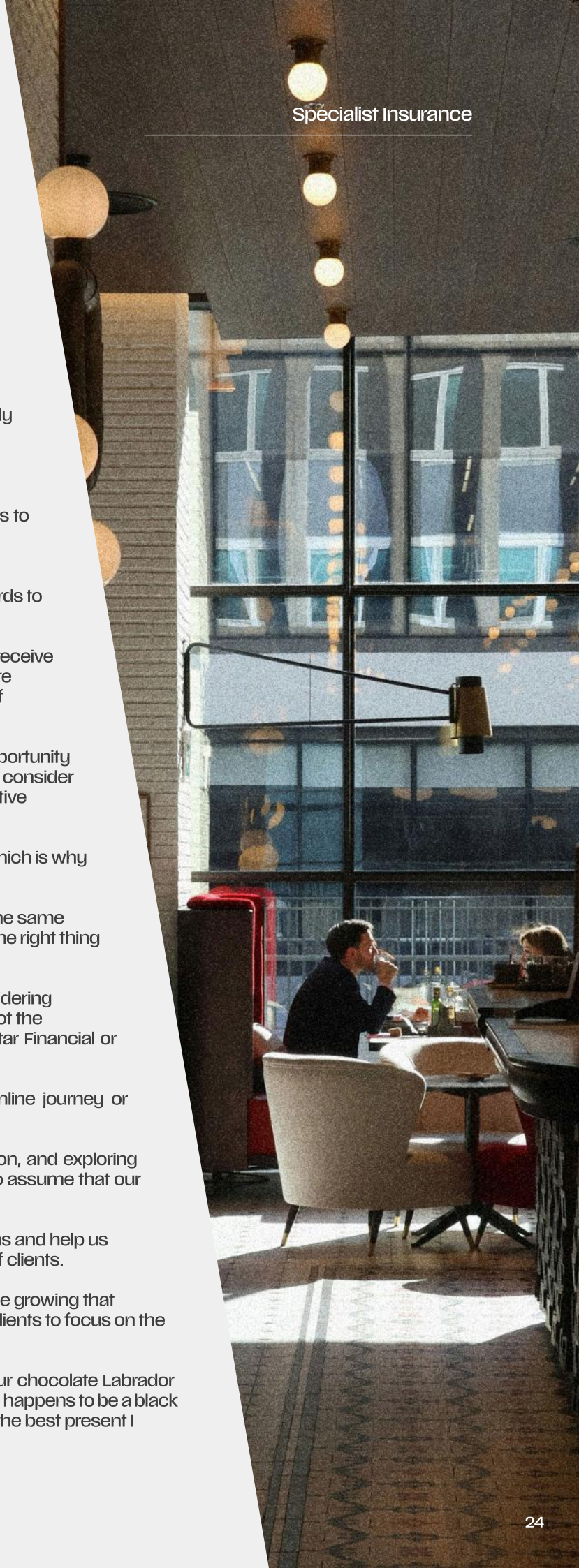


For intermediaries only

Jacqui Edwards,
Head of Insurance,
Solstar Insurance

Contact

surance most



Insurance can feel like a box that needs to be ticked before a finance transaction completes. Everybody hopes they will never have to make a claim, but that cannot be an excuse for treating the policy as an afterthought.

The true test of insurance is not how inexpensive it was to arrange. It is whether the protection is there when something goes wrong.

The Renters' Rights Act has also prompted more landlords to review their insurance during 2026.

As the way landlords operate changes and tenants receive greater protection, property owners are becoming more conscious of the risks they face and the importance of ensuring their policies remain appropriate.

That increased awareness is positive. It creates an opportunity for landlords to look beyond the headline premium and consider issues such as loss of rent, legal expenses and alternative accommodation.

The precise requirements will differ between clients, which is why a proper conversation is so important.

Looking ahead to 2027, Solstar will continue to follow the same principles: trade honestly, understand the risk and do the right thing for the client.

We have access to specialist insurers capable of considering unusual or more complicated properties, whether or not the associated finance is being arranged through Brightstar Financial or Sirius Finance.

This means we can often help where a standard online journey or mainstream insurer cannot.

We will also continue working with our network, Hedron, and exploring relationships with additional insurers. We never want to assume that our existing panel is enough.

Expanding those relationships can give us more options and help us secure suitable protection for an even broader range of clients.

My business wish for Christmas is therefore to continue growing that insurer portfolio while encouraging more brokers and clients to focus on the quality of cover rather than price alone.

My personal wish is much easier to explain. We lost our chocolate Labrador last year, and I would really love another dog. So, if there happens to be a black Labrador waiting for me this Christmas, that would be the best present I could receive.

SOLSTAR
INSURANCE BROKERS

Your trusted **insurance partner**

At Solstar, we understand that each individual, family, and business will have unique insurance and protection requirements. That's why we offer personalised solutions tailored to your specific needs, providing you with peace of mind and financial security now, and in the future.

Areas we cover:

Hotels & Pubs

Development sites

Personal Medical

Industrial Units

Buy-to-let

HMOs

Blocks of flats & offices

Commercial shops

Home Buildings & Contents



Lender requirements **that can be built into policies**

- First Loss Payee
- Composite Insured
- Noting Lenders Interest
- Terrorism Cover
- Flood Risk
- Non-invalidation & Non-Vitiation Clause
- Contractor All Risks – (CAR)
- Professional Indemnity Cover
- Unoccupied properties

As a division of the multi-award winning Brightstar Financial, we bring a wealth of expertise and a commitment to excellence in all that we do.

Brightstar

Get in touch today.

CALL US **EMAIL US**

mt finance

SPECIALIST FINANCE, SIMPLIFIED.

Bridging, buy-to-let, and commercial finance solutions delivered with speed, transparency, and zero fuss.

EFFORTLESS. EVERY TIME.

mt-finance.com



lendinvest
Mortgages

FOR INTERMEDIARIES ONLY

Cut the Complex

Whether your client is a seasoned property professional, first-time landlord or homeowner, we take the complexity out of mortgages. Simple, for everyone.

Scan here for more information



Buy-to-Let

Streamline your standard, HMO/MUFB, and semi-commercial BTL deals. Fast portal processing, less admin, and a direct line to our underwriters.



Bridging

For any short-term lending need, get instant quotes on Heads of Terms in seconds through our Mortgages Portal, with expert support to review your deals.



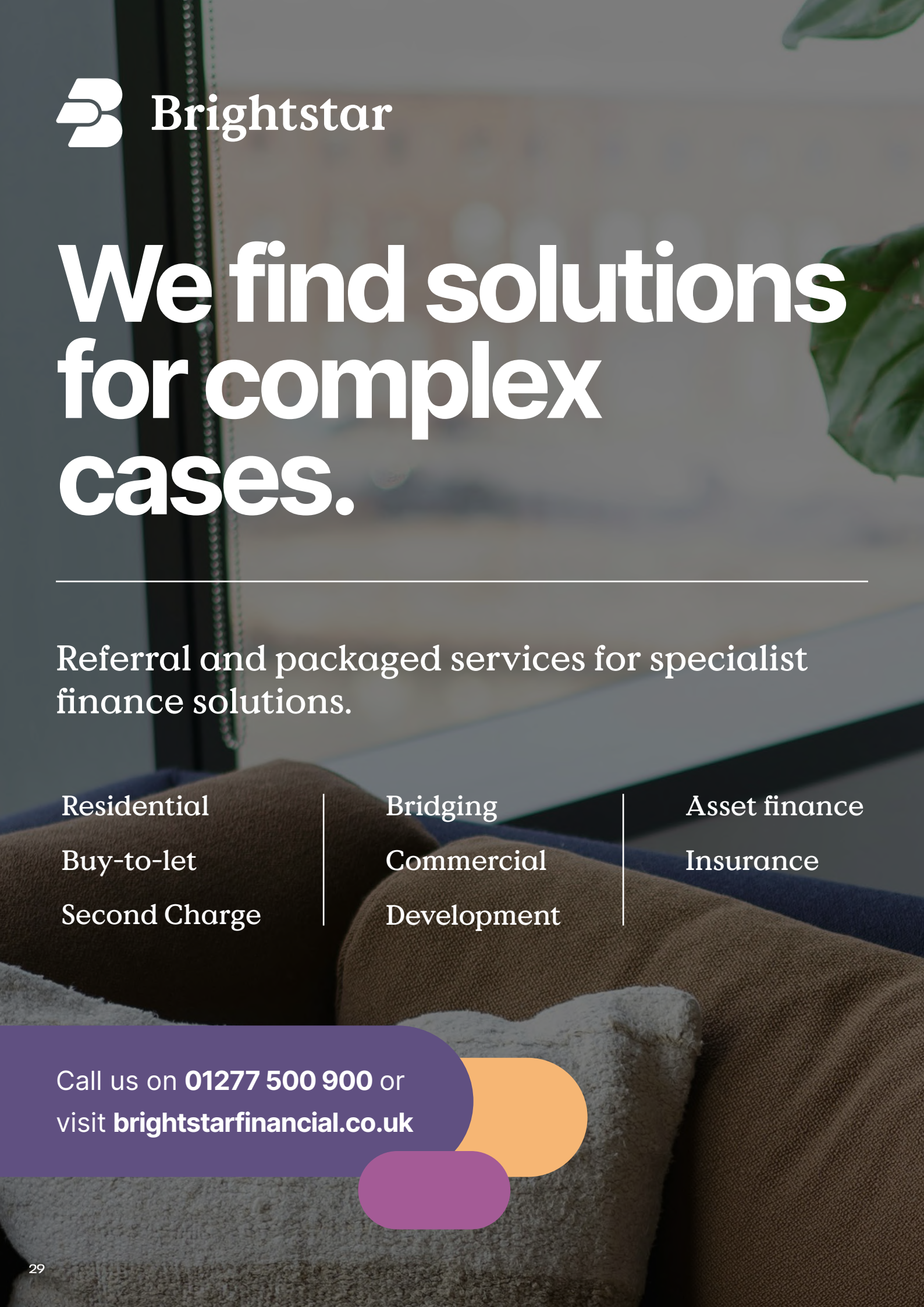
Residential

For your clients that may not fit the high-street, we underwrite based off credit histories, not just scores.

Simple, for everyone.

enquiries@lendinvest.com | 020 3836 1837

LendInvest plc is a public limited company registered in England and Wales (No. 8146929). Registered Office: 4-8 Maple St, London, W1T 5HD. LendInvest Mortgages and LI Mortgages are registered trading names of LendInvest Loans Limited. LendInvest Loans Limited is authorised and regulated by the Financial Conduct Authority (FRN:737073). LendInvest Loans Limited is a company registered in England & Wales (Company No. 09971600) and is a wholly owned subsidiary of LendInvest plc. Regulated lending is provided via LendInvest Loans Limited (Company No. 09971600). Unregulated lending is provided by LendInvest BTL Limited (Company No. 10845703) and LendInvest Bridge Limited (Company No. 11651573), which are wholly owned subsidiaries of LendInvest plc. Borrowing through LendInvest and its affiliates involves entering into a mortgage contract secured against property. Your property may be repossessed if you do not repay your mortgage in full.


Brightstar
We find solutions for complex cases.
Referral and packaged services for specialist finance solutions.
Residential
Buy-to-let
Second Charge
Bridging
Commercial
Development
Asset finance
Insurance
Call us on 01277 500 900 or visit brightstarfinancial.co.uk

Why partner with Brightstar

No cross-sell guarantee

You're fully protected

Access more lenders and market-leading exclusives

Focusing on solutions, not products

Quality comes as standard

Market-leading proc fees

See what people are saying

Excellent

Based on 4000 reviews

Trustpilot

Straightforward solutions for tricky...

Straightforward solutions for tricky cases. Quick turnaround on a Second Charge B2L mortgage requirement.

Advisor, 29 Oct

Good customer service and prompt...

Good customer service and prompt communication and feedback. Would highly recommend.

Customer, 26 Oct

Absolutely amazing company

Amy Schofield and Georgia Walton were so attentive to all my questions, no matter how...

Kate Graves, 16 Oct

Showing our latest reviews

Bridging has been a
of specialist finance

Bridging finance has been a genuine mainstay of the specialist finance market during 2026.

While residential mortgages and buy-to-let have experienced frequent pricing changes, movements in swap rates and last-minute product withdrawals, the bridging market has remained comparatively steady and buoyant.

Bridging lenders can often be more flexible in how they price and structure individual transactions. They are also generally more reluctant to withdraw from an agreed deal at short notice, which has given brokers and clients greater certainty in an otherwise unpredictable market.

Auction finance has been one of the strongest areas of activity. Regulatory and taxation changes have caused some landlords to conclude that buy-to-let is no longer right for them and sell properties through auction.

Those sales create opportunities for other investors but auction purchases usually require completion within 28 days. A conventional mortgage may not be able to meet that deadline, making short-term finance an important part of the transaction.

Regulated bridging has also remained active, partly because residential properties are taking longer to sell.

A buyer may have found their next home but cannot proceed until their existing property completes. Meanwhile, the seller may be unwilling to wait and could favour somebody who is chain-free or buying with cash.

Bridging can enable the buyer to raise the funds required to complete before their existing home is sold. This effectively allows them to act like a cash buyer, strengthening their position and enabling the seller to continue with their own plans.

Ironically, therefore, the slowdown in the residential sales market has contributed to increased demand for bridging. What creates a problem in one area can produce a requirement for a specialist solution elsewhere.



Looking back over the year, bridging has performed strongly across both regulated and unregulated transactions – the activity we have experienced and the quarterly data published throughout the year suggest that lending has continued to grow.

I expect that momentum to carry into 2027.

One particularly interesting development is the emergence of refurbishment products offering higher day-one loan-to-values towards both the purchase and the cost of works.

These products allow property investors to complete projects without committing as much of their own capital at the outset.

For intermediaries only

Stephen Watts,
Bridging Specialist,
Sirius Finance

Contact

That could encourage more activity among those buying properties to renovate and sell, or retain as longer-term investments.

The pricing difference between these higher-leverage products and more conventional bridging is not always as substantial as investors might expect. If the funding allows them to undertake more projects or retain capital for contingencies, it can make commercial sense.

Lenders are also reconsidering how they define light and heavy refurbishment. Historically, work involving permitted development or a loft conversion could automatically be treated as heavy refurbishment, resulting in a higher interest rate.

Some lenders are becoming more flexible and may now regard certain projects of this type as light refurbishment. This can give investors access to cheaper borrowing and improve the potential return once the work is completed and the property is refinanced or sold.

I therefore expect refurbishment finance to be one of the strongest areas of the bridging market during 2027.

There should also be continued demand for regulated bridging. The housing market traditionally becomes more active as the days grow lighter and spring approaches. Properties tend to be marketed more widely, while people become more willing to make decisions about moving.

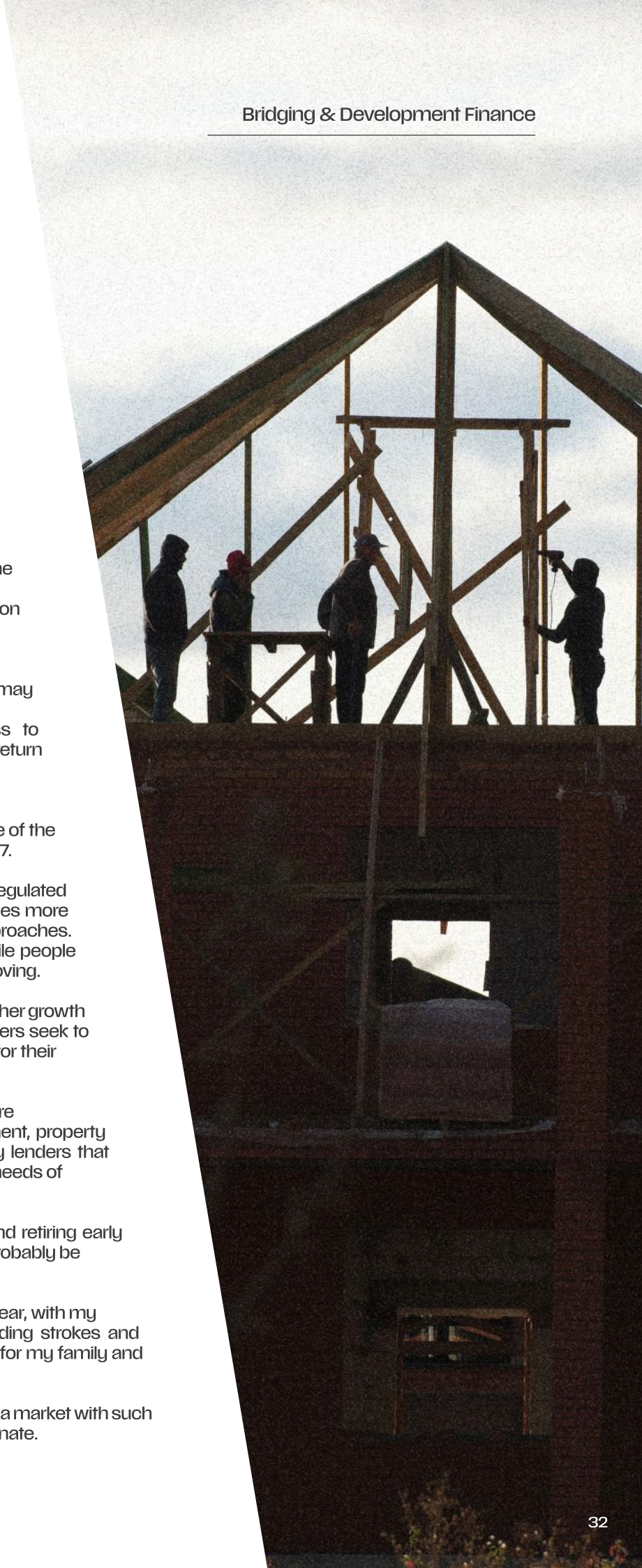
If the sales market remains slow, we could see further growth in buy-before-you-sell transactions as homeowners seek to avoid losing the property they want while waiting for their existing home to complete.

My outlook for 2027 is extremely positive. There are opportunities across auction finance, refurbishment, property investment and regulated bridging, supported by lenders that continue to adapt their products to the changing needs of borrowers.

As for my Christmas wish, winning the lottery and retiring early would obviously be welcome, although I should probably be realistic.

I have experienced some difficult moments this year, with my parents suffering serious health problems including strokes and heart failure. My genuine wish is therefore simply for my family and friends to be healthy, happy and safe.

If I can have that and continue doing a job I enjoy in a market with such a positive outlook, I will consider myself very fortunate.



The hidden opportunities in overlooked properties, uncovered.

The scale of the issue:



Over 1.5 million
Unmortgageable homes
across the UK



101,283
Post-war non-standard properties
in Birmingham alone



~£300bn
Equity value trapped
in unmortgageable homes

Properties rejected based on condition and decap deterioration:



323,000
English homes lacking
basic modern facilities



£7000
Average price of a
new bathroom in 2026

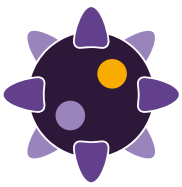


3.5 million
Houses fail to meet
Decent Homes Standards

Deterioration and defects:



1.39m
Homes in the UK affected
by Japanese knotweed

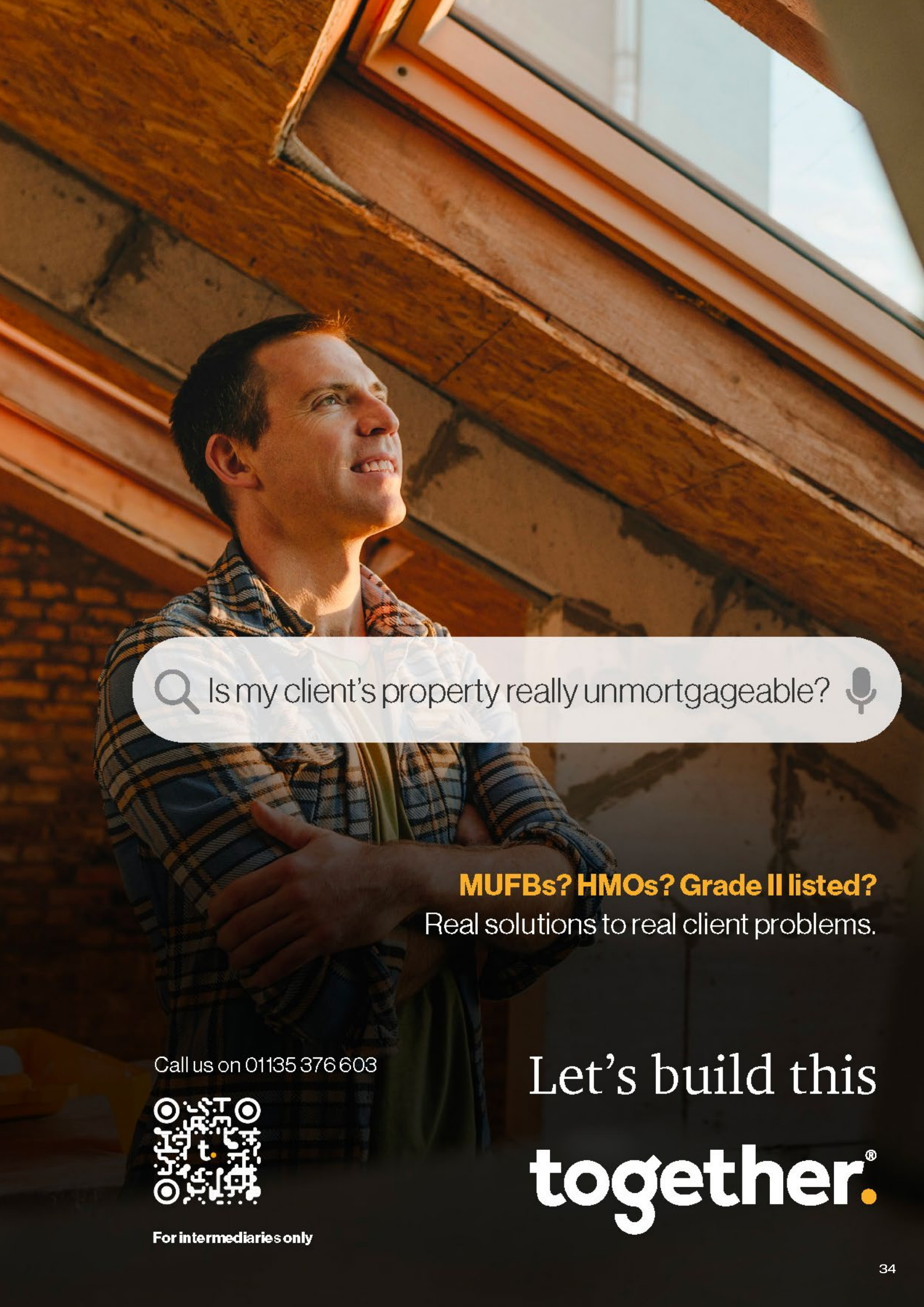


10%
Private rental homes
with damp or mould



£12,500
Average cost
of fixing subsidence

Read our report:


Is my client's property really unmortgageable?
MUFBs? HMOs? Grade II listed?
Real solutions to real client problems.
Call us on 01135 376 603
Let's build this
together.
For intermediaries only

SIRIUS
FINANCE

SPECIALIST FINANCE BROKERS

MAKING THE SEEMINGLY IMPOSSIBLE, POSSIBLE

We get to the heart of the borrower's aspirations and the lender's requirements before constructing a partnership to best realise our clients' specialist finance needs.

RESIDENTIAL MORTGAGES | INVESTMENT FINANCE
COMMERCIAL FINANCE | STRUCTURED FINANCE
ASSET FINANCE | INSURANCE

CONTACT US

CONTACT US

We would love to hear from you

INFO@SIRIUSFINANCE.CO.UK



VIEW OUR PORTFOLIO

HERE

★★★★★

Based on 929 reviews

★ Trustpilot

★★★★★

Fantastic professional...

Fantastic professional service by Albey Chambers, couldn't fault it he kept me informed every step of the...

Customer, 29th Oct

★★★★★

Nick and his team has...

Nick and his team has been extremely helpful and made the mortgage process very smooth.

Customer, 29th Oct

★★★★★

Neil and Albey have...

Neil and Albey have been helping for many years and always manage to get deals over the line, even when...

M Penrice, 29th Oct

Showing our latest reviews

lendinvest Mortgages

The Strategic Shift: Why Semi-Commercial Property is Reshaping the BTL Market in the UK



Written by Darrell Walker, Managing Director, Mortgages

The UK property investment landscape is undergoing one of its most significant structural evolutions in decades. As macroeconomic shifts, tightening fiscal policy and regulatory developments reshape the private rental sector, property investors are fundamentally re-evaluating their asset strategies. Traditional, single-tenant residential buy-to-let (BTL) properties, long considered the standard choice for private property portfolios, are increasingly facing margin pressures, with typical gross residential yield sitting between 5 and 6%.

In response, professional landlords and investors are looking beyond single residential units to target higher-yielding, multi-stream asset classes. At the forefront of this shift is the semi-commercial property market, a dynamic offering that combines commercial enterprise with residential living under a single title to deliver enhanced cash flow, operational resilience and strong tax-efficient growth potential.

This pivot toward mixed-use assets is backed by market momentum and sustained volume growth. Total UK commercial lending is projected to reach £118 billion by 2028, with semi-commercial assets driving a significant portion of this expansion as they move from a niche strategy into a permanent fixture of modern portfolio design. Following a landmark year in 2024 where application volumes doubled, semi-commercial properties captured 24% of all commercial lending activity. Investor appetite accelerated further into 2025, with applications climbing an additional 58% year-on-year and purchase applications rising 31% as a proportion of overall specialist lending.

Underpinned by a tight private rental sector where property availability sits 18% below tenant demand, retail units with residential flats above now represent 69% of all mixed-use applications, proving that appetite for resilient, dual-income assets has firmly entered the mainstream.

The Dual-Engine Advantage: Yield and Risk Mitigation

At its core, a semi-commercial asset, most commonly a ground-floor retail or service business with residential flats above, offers a compelling economic proposition. Rather than relying on a single tenancy, investors capture two distinct revenue channels within a single property. This dual-stream mechanism provides strategic advantages:

Yield Premium:

Semi-commercial properties routinely deliver gross yields between 8% and 10.5%, significantly outperforming standard single-let residential assets. In regional commercial hubs and regenerating high streets, well-structured mixed-use units represent some of the most lucrative income opportunities in the UK property market.

Risk Diversification:

Prolonged void periods pose a major threat to investor profitability. By pairing commercial occupiers on long-term leases with residential tenants on standard rental agreements, investors can mitigate the risk of total income loss. If one component is vacant, the secondary revenue stream continues to service debt and cover holding costs.

Tax and SDLT Efficiencies:

A major catalyst behind the capital shift into mixed-use assets relates to Stamp Duty Land Tax (SDLT). Because semi-commercial properties qualify as mixed-use assets, they fall under commercial SDLT rate bands rather than the higher residential bands and surcharges. This difference can substantially reduce entry costs, leaving investors with higher working capital and better returns.

AT A GLANCE

£118bn
Projected UK commercial lending by 2028.

24%
of all commercial lending activity is semi-commercial properties.

+58%
increase on applications year-on-year.

18%
below tenant demand is where property availability currently is.

Capitalising on High Street Evolution

The momentum behind semi-commercial assets is also closely linked to the transformation of UK regional town centres and local high streets. Far from the idea of commercial decline, high streets across the country are being actively re-energised.

Ground-floor commercial units are increasingly occupied by neighbourhood-centric, essential businesses like independent cafés, convenience stores, service providers and health centres. The commercial occupiers act as reliable economic anchors. At the same time, tenant demand for centrally located, urban residential space remains exceptionally strong due to underlying housing shortages. By acquiring and upgrading mixed-use buildings, investors actively contribute to local urban regeneration while securing high-demand rental units.



Financing Flexibility and Portfolio Professionalisation

The rising interest in semi-commercial real estate reflects a broader trend toward professionalisation in the investor market. Landlords are operating with a structured, corporate mindset, utilising Limited Companies, Special Purpose Vehicles (SPVs) and professional management models to optimise their holdings.

Debt strategies for mixed-use properties have adapted alongside this market maturity. Investors will often utilise short-term refurbishment or bridging facilities to upgrade commercial units, convert unused upper-floor storage into residential accommodation or improve Energy Performance Certificate (EPC) ratings. Once

value-add works are completed, investors can transition onto long-term BTL term finance or execute equity releases to fuel further acquisitions.

As the UK property market demands greater adaptability and stronger margins, semi-commercial BTL has evolved from a specialist strategy into a mainstream growth pillar. By offering higher baseline yields, dual-income safety nets and lower acquisition tax barriers, mixed-use properties provide modern investors with the precise balance of income and resilience needed to construct scalable and future-proof portfolios.

Navigating these hybrid transactions requires a nuanced approach that traditional mainstream lenders often struggle to deliver. From balancing commercial leases alongside standard residential tenancy agreements to underwriting corporate structures and mixed-use valuations, semi-commercial assets carry unique operational complexities. This is precisely where specialist lenders excel, offering the bespoke underwriting, sector-specific expertise and structural flexibility needed to evaluate complex transactions efficiently.

By aligning with specialist lenders (like LendInvest) that truly understand the distinct dynamics of mixed-use real estate, investors and brokers can seamlessly navigate structural nuances, secure reliable capital, and execute high-yielding deals with total confidence.

For intermediaries only

Semi-Commercial lending with LendInvest

Based on feedback from brokers throughout England, Scotland and Wales, we've recently expanded our buy-to-let range with a semi-commercial proposition.

- **Loan Range:** Scalable funding options from £50,000 up to £2,000,000.
- **Unit Caps:** Up to 20 individual residential units, with absolutely no cap on commercial units.
- **ICR Affordability:** Financial viability is assessed using an Interest Coverage Ratio calculated from 125%.
- **Property Split:** Acceptable as security as long as the residential element is more than 50% of the overall value.
- **Flexibility Built-In:** Run your business on-site? We can accept related occupiers on a case-by-case basis so you can get the funding your client needs.

As mixed-use assets continue to capture investor focus, semi-commercial property offers a powerful strategy for portfolio expansion. A semi-commercial BTL loan with LendInvest provides intermediaries with a flexible financing tool to help clients scale their holdings, optimise tax efficiencies through favourable SDLT structures and lock in reliable, dual-stream revenue.

Direc

Book an appointment with one of ou



Andrew Cappaert

Group Head of National Accounts

07540 003 897

andrew.cappaert@thebrightstargroup.co.uk

Book with Andrew

ctory

ır National Account Managers today!



Lee Payne

Group National Account Manager

07754 559 653

lee.payne@thebrightstargroup.co.uk

Book with Lee



Some things are

OUT OF YOUR CONTROL

Choosing the right commercial lender
shouldn't be one of them.

Commercial lending backed by OSB Group.
Intermediaries only.

InterBay



CATALYST

Bespoke property finance with dedicated support

At Catalyst, we combine specialist property finance with hands-on support to help brokers and their clients act quickly on every opportunity. For bridging, development, auction and refurbishment finance, including complex property transactions, we provide the expertise, flexibility and confidence needed to get deals done.

- Short-term finance tailored to individual requirements
- Fast, reliable decisions to keep transactions moving
- Competitive rates and flexible funding options
- Dedicated BDM/Underwriter support from application to completion

Need advice on your clients next project? We're here to help.

Call 01202 112 900 or email enquiry@catalystpf.co.uk

www.catalystpf.co.uk

#NeverMissAGoodOpportunity

November 2026 | Edition 4



BRIGHT INSIGHTS

THE LATEST SPECIALIST LENDING NEWS & CLIENT TRENDS

Brightstar · SIRIUS FINANCE · SOLSTAR INSURANCE BROKERS · the SchoolFees company · Schools-Finance

For intermediaries only